

Calendar No. 1059

91ST CONGRESS }
2d Session

SENATE

{ REPORT
No. 91-1054

THOMAS A. SMITH

JULY 30, 1970.—Ordered to be printed

Mr. BURDICK, from the Committee on the Judiciary, submitted the following

REPORT

[To accompany H.R. 3558]

The Committee on the Judiciary, to which was referred the bill (H.R. 3558) for the relief of Thomas A. Smith, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the proposed legislation is to pay Thomas A. Smith of Newark, N.J., \$2,500 in settlement of his claims for the displacement of his business on July 6, 1966, from 45 Clinton Street, Newark, N.J., as a result of real estate project numbered N.J. R-58.

STATEMENT

The House Judiciary Committee in its favorable report on the bill, set forth the facts of the case as follows:

The Department of Housing and Urban Development in its report to the committee on the bill stated that it would not object to its enactment.

Mr. Smith was the owner of a real estate and insurance business in Newark, N.J. On October 1, 1965, he was informed by the Housing Authority of the City of Newark that he would be displaced by an urban renewal project. He was subsequently informed by the authority that if gross receipts from the business were at least \$1,500 per year, he would be eligible for the small business displacement payment. On April 15, 1966, HUD issued new regulations regarding eligi-

bility for the payment. The new regulations required that for displacements occurring on or after June 15, 1966, the displacee must, in addition to having had \$1,500 in average annual gross receipts or sales, have had average annual net earnings in excess of \$500, or average annual gross receipts or sales in excess of \$2,500. Mr. Smith met the old test but not the new.

After the new regulations were issued Mr. Smith continued to have contacts with the housing authority. He wrote to the authority on May 1 confirming his intention to vacate the premises on July 1, 1966, and requested information on the procedure for obtaining relocation payments. The housing authority did not inform him of the changed regulations which would make him ineligible if he moved subsequent to June 14.

Mr. Smith did in fact vacate the premises on July 6, 1966. He was informed by the housing authority on July 18, 1966, that he was ineligible for the small business displacement payment by virtue of the new regulations.

The committee has carefully considered the circumstances of this case and the comments of the Department of Housing and Urban Development and has concluded that this case is a proper subject for private relief. It is apparent that Mr. Smith relied on the information supplied to him by the housing authority that he was eligible for the small business displacement payment. He remained in contact with the housing authority and made his plans to vacate the premises on July 6, 1966. Had he taken the same action prior to June 14, he would have been eligible for the payment. He was not advised that this short delay deprived him of eligibility.

The Department stated in view of the particular circumstances, it would not object to the relief provided in this bill which, in effect, would authorize the payment of the amount Mr. Smith would have received had he moved from his place of business on June 14, 1966, rather than July 6, 1966.

In view of the departmental position and the facts of the case, this committee recommends that the bill be considered favorably.

The committee, after a review of the foregoing, concurs in the action taken by the House of Representatives and recommends favorable consideration of H.R. 3558, without amendment.

Attached hereto and made a part hereof is a letter dated October 29, 1969, from the Secretary of Housing and Urban Development:

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT,
Washington, D.C., October 29, 1969.

Subject: H.R. 3558, 91st Congress (Rodino).

HON. EMANUEL CELLER,
*Chairman, Committee on the Judiciary,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Department on H.R. 3558, a bill which would

authorize the payment of \$2,500 to Thomas A. Smith as a small business displacement payment.

Mr. Smith was the owner of a real estate and insurance business in Newark, N.J. On October 1, 1965, he was informed by the Housing Authority of the City of Newark that he would be displaced by an urban renewal project. He was subsequently informed by the authority that if gross receipts from the business were at least \$1,500 per year, he would be eligible for the small business displacement payment. On April 15, 1966, HUD issued new regulations regarding eligibility for the payment. The new regulations required that for displacements occurring on or after June 15, 1966, the displacee must, in addition to having had \$1,500 in average annual gross receipts or sales, have had average annual net earnings in excess of \$500, or average annual gross receipts or sales in excess of \$2,500. Mr. Smith met the old test but not the new.

After the new regulations were issued Mr. Smith continued to have contacts with the housing authority. He wrote to the authority on May 1 confirming his intention to vacate the premises on July 1, 1966, and requested information on the procedure for obtaining relocation payments. The housing authority did not inform him of the changed regulations which would make him ineligible if he moved subsequent to June 14.

Mr. Smith did in fact vacate the premises on July 6, 1966. He was informed by the housing authority on July 18, 1966, that he was ineligible for the small business displacement payment by virtue of the new regulations.

In view of these circumstances this Department would not object to enactment of this private relief bill to compensate Mr. Smith in the amount he would have received had he moved from his place of business on June 14, 1966, rather than July 6, 1966.

The Bureau of the Budget has advised that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

GEORGE ROMNEY.

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